

CITY OF LINCOLN/LANCASTER COUNTY

CONTRACT AWARD NOTIFICATION
SPECIFICATION NO.98-151
ANNUAL REQUIREMENTS FOR
TRANSPORTATION SERVICES TO
DISTRIBUTE BIOSOLIDS

DATE: October 22, 2002

CONTRACT PERIOD: Dec.1,2002 thru Nov.30, 2004

CONTRACTOR: Big River Construction
P.O. Box 277
Nebraska City, NE 68410

PURCHASING DIVISION
K-STREET COMPLEX
440 SOUTH 8TH STREET
LINCOLN, NEBRASKA 68508
(402) 441-7410

Company Representative: Cleon Popelka
Telephone No.: 402 / 873-6890
FAX No.: 402 / 873-6990

THE CITY/COUNTY'S SPECIFICATIONS AND THE CONTRACTOR'S ACCEPTED PROPOSAL AND PRICING SCHEDULES, NOW ON FILE IN THE OFFICE OF THE CITY CLERK AND/OR THE COUNTY CLERK, ARE ADOPTED BY REFERENCE AND ARE AS FULLY A PART OF THIS CONTRACT FOR THE ABOVE-NAMED COMMODITY AS IF REPEATED VERBATIM HEREIN.

Transport biosolids within 0-15.0 mi. of the Temporary Holding Facility	@	\$ 4.00/C.Y.
Transport biosolids within 15.1-30 mi. of the Temporary Holding Facility	@	\$ 4.32/C.Y.
Transport biosolids greater than 30 mi. from the Temporary Holding Facility	@	\$ 0.160/C.Y.
Transport biosolids within 0-15.0 mi. of the City's Theresa St. POTW	@	\$ 4.01/C.Y.
Transport biosolids within 15.1-30 mi. of the City's Theresa St. POTW	@	\$ 4.19/C.Y.
Transport biosolids greater than 30 mi. from the City's Theresa St. POTW	@	\$.160/C.Y.
Transporting other materials within 0-15 miles of either POTW	@	\$ 4.27/C.Y.
Transporting other materials in 12-15 yard net capacity vehicles	@	\$53.38/Hr.
Transporting other materials in 20-30 yard net capacity vehicles	@	\$64.06/Hr.
Loading other materials within 3.0 cubic yard or larger rubber tire loader	@	\$80.07/Hr.

NO ACTION NEED BE TAKEN BY THE CONTRACTOR AT THIS TIME. ORDERS FOR MATERIAL WILL BE MADE AS NEEDED BY THE VARIOUS CITY/COUNTY DEPARTMENTS.

DEPARTMENTS REQUIRING CATALOGS AND/OR PRICING SCHEDULES SHALL NOTIFY THE CONTRACTOR DIRECTLY.

E.O. #66028
Dated: 10/17/02

**AGREEMENT
FOR
TRANSPORTING BIOSOLIDS**

THIS AGREEMENT, made this 5TH day of NOV., 1998, by and between Big River Constr., hereinafter referred to as CONTRACTOR and CITY OF LINCOLN, a body corporation and politic, hereinafter referred to as CITY.

WHEREAS, the CITY has responsibility for recycling of biosolids generated from the Theresa Street Wastewater Treatment Facility for use as a soil fertilizer on croplands within Lancaster County; and

WHEREAS, the City requires transportation services to distribute biosolids to program participants; and

WHEREAS, the CITY intends to procure such services from a competent and reliable Contractor for a period not to exceed six years subject to the conditions of this Agreement.

NOW, THEREFORE, WITNESSETH that:

1. The Contractor hereby agrees to perform the described services as hereinafter set forth during a period of two years following the date of this Agreement for the following contract prices which are inclusive of all labor, transportation, mobilization, overhead and profit:

<u>ITEM</u>	<u>ITEM DESCRIPTION</u>	<u>UNITS</u>	<u>UNIT PRICE</u>
1.1	Transport biosolids within 0-15.0 miles of the Temporary Holding Facility	C.Y.	\$ <u>3.75</u>
1.2	Transport biosolids within 15.1-30 miles of the Temporary Holding Facility (Includes all of Lancaster County)	C.Y.	\$ <u>4.05</u>
1.3	Transport biosolids greater than 30 miles from the Temporary Holding Facility.	C.Y. mile	\$ <u>.150</u>
1.4	Transport biosolids within 0-15.0 miles of the City's Theresa Street POTW	C.Y.	\$ <u>3.76</u>
1.5	Transport biosolids within 15.1-30 miles of the City's Theresa Street POTW (Includes all of Lancaster County)	C.Y.	\$ <u>3.92</u>
1.6	Transport biosolids greater than 30 miles from the City's Theresa Street POTW	C.Y. mile	\$ <u>.150</u>
1.7	Transporting other materials within 0-15 miles of either the POTW	C.Y.	\$ <u>4.00</u>
1.8	Transporting other materials in 12-15 yard net capacity vehicles	Hour	\$ <u>50.00</u>
1.9	Transporting other materials in 20-30 yard net capacity vehicles	Hour	\$ <u>60.00</u>
1.10	Loading other materials with 3.0 cubic yard, or larger, rubber tire loader	Hour	\$ <u>75.00</u>

2. General

- 2.1 The term of the Agreement shall be for two (2) years at which time the City, may at its own option, renew the terms of the Contract for up to two (2), two (2)-year periods.
- 2.2 It is the express intent of the parties hereto that this Agreement shall not create an employer-employee relationship; and the Contractor, his/her employees and any person acting on behalf of the Contractor shall be deemed to be an independent contractor during the term of the Agreement.
- 2.3 The Contractor shall indemnify and save harmless the CITY OF LINCOLN, Nebraska from and against all losses, claims, damages, and expenses, including attorney's fees, arising out of or resulting from the performance of the contract that results in bodily injury, sickness, disease, death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom and is caused in whole or in part by the Contractor, any subcontractor, any directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. This section will not require the Contractor to indemnify or hold harmless the CITY OF LINCOLN for any losses, claims, damages, and expenses arising out of or resulting from negligence of the CITY OF LINCOLN, Nebraska.
- 2.4 The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, disability, age or marital status.
- 2.5 The Contractor shall provide all insurance requirements as described in Attachment B.
- 2.6 Permits and licenses of a temporary nature necessary for the prosecution of the work shall be obtained and paid for by the Contractor.

3. Definitions

- 3.1 *Biosolids* are anaerobically digested municipal wastewater residuals generated from the Theresa Street Public Owned Treatment Works (POTW) which have the following physical properties:
 - 3.1.1 Average solids content of 18.5%.
 - 3.1.2 Average unit weight of approximately 1,700 pounds per cubic yard.
 - 3.1.3 Historical data for transporting biosolids are included in Attachment D.
- 3.2 *Land Application Sites* are various privately owned, agricultural properties (farms) located throughout Lancaster County which have been approved for the application of biosolids.
- 3.3 *Land Application Storage Sites* are locations where the Contractor is directed to unload biosolids at each land application site. Storage sites are generally located within farm fields and require off-road travel in loose and uneven ground conditions.
- 3.4 The *Temporary Holding Facility (THF)* is an all weather, concrete paved area approximately one (1) acre in size located at the Bluff Road Landfill, 6001 Bluff Road. The THF is used for the storage of biosolids during inclement weather conditions. The THF has an estimated capacity of 6000 cubic yards.
- 3.5 The *Biosolids Coordinator* is employed by the Lancaster County Cooperative Extension Service and is responsible for directing daily services performed by the Contractor including scheduling and coordinating deliveries of biosolids with participants, locating land application storage sites, and inspection of land application storage sites with the Contractor.

- 3.6 The *POTW Supervisor* is the Assistant Superintendent of Water Pollution Control for the City of Lincoln and is responsible for coordinating load-out of biosolids including notification to the Contractor of changed load-out times and disruptions of load-out procedures
- 3.7 The *Project Manager* is the Superintendent of Solid Waste Operations for the City of Lincoln and is responsible for contract administration and compliance, route coordination, and spill responses.
- 3.8 The *Transportation Supervisor* shall be designated by the Contractor to oversee transportation services including initial inspection of land application storage sites, determining accessibility to land application storage sites, weekly schedules of hauling locations, temporary holding facility operations and records management.
- 3.9 *Scheduled Maintenance* shall be considered as maintenance performed at the POTW which prevents de-watering and load-out of biosolids. The Contractor shall be provided a twenty-four (24) hour notification that Scheduled Maintenance will occur.

Contractor Responsibilities

4. Contractor Personnel

- 4.1 The Contractor shall designate a transportation supervisor responsible for the supervision of daily work activities and maintaining appropriate contact with the Biosolids Coordinator, POTW Supervisor and the Project Manager.
- 4.2 The transportation supervisor shall attend all progress meetings.
- 4.3 The Contractor shall employ competent, experienced, trained and DOT licensed personnel at all times when performing services specified in this Agreement.
- 4.4 Contractor's personnel shall participate in City training on biosolids handling and safety when such training occurs.

5. Transportation Equipment Requirements

- 5.1 Biosolids shall be transported in fully sealed vehicles which include liquid tight end-gate seals which prevent leakage of biosolids or liquids.
- 5.2 Minimum hauling capacity of vehicles shall be twenty-five (25) cubic yards.
- 5.3 Each vehicle shall be calibrated and assigned a full load capacity and the inside of the vehicle box shall be marked with a "full load" line (payment shall be based on actual quantity transported).
- 5.4 Hauling vehicles shall be compatible with the dimensions of the load-out area (bay doors closed) as indicated on the diagram in Attachment C. Only one vehicle can be loaded at a time.
- 5.5 Vehicles shall be designed to reduce biosolids from coming into contact with the vehicle end-gate, wheels, and axles in order to prevent drag-out of materials on to roadways.
- 5.6 Hauling vehicles shall not be loaded above the level in the box which provides for a safe freeboard to prevent spillage and in no instances shall the load height exceed the top of the box.
- 5.7 Contractor's personnel shall inspect each vehicle prior to hauling and after dumping for removal of all material (biosolids, mud, and debris) from the hauling vehicle which can fall or become dislodged during transportation.

- 5.8 Equipment shall be adequately maintained in good repair to insure constant reliability and prevent leakage of biosolids or liquids.
- 5.9 The Contractor shall be responsible for daily cleanup of all fluid and lubricant spills and leaks which occur on City property.
- 5.10 Equipment shall be maintained in a clean and presentable condition reflecting a positive image on the City and the biosolids application program.
- 5.11 Maintenance of Contractor's equipment shall not be performed on City property unless otherwise approved by the POTW Supervisor.
- 5.12 Equipment shall be signed with the Contractor's name/logo and telephone number.
- 5.13 The Contractor shall comply with all vehicle licensing, drivers licensing, registration, and weight restrictions laws and requirements.
- 5.14 The Contractor may use the City's heavy equipment washout area located at the Bluff Road Landfill to clean vehicles used in hauling biosolids. Use of the facility is conditioned on the Contractor's performance in keeping the facility clean and proper use of the cleaning equipment.

6. Load-out Operations at the Theresa Street POTW

- 6.1 The Contractor shall provide transportation services to allow for un-interrupted, continuous load-out of biosolids from the POTW biosolids de-watering operation.
- 6.2 Coordination of load-out procedures shall be with the POTW Supervisor.
- 6.3 Load-out shall generally occur Monday through Friday, during the hours of 6:00 a.m. through 5:00 p.m.
 - 6.3.1 Maximum load-out times may occasionally occur from 6:00 a.m. through 6:00 p.m.
 - 6.3.2 The City may require the Contractor to load-out and transport biosolids during any day of the week, or before or after the maximum load-out hours by giving the Contractor a minimum eighteen (18) hour advance notice.
 - 6.3.3 Generally, load-out will not be performed on City observed holidays with the exception being the day after Thanksgiving.
- 6.4 Temporary load-out interruptions or stoppages of one (1) hour, or less, as a result of equipment failure or power outages shall not be cause for additional compensation to the Contractor.
- 6.5 Estimated load-out rates are as follows:
 - 6.5.1 Estimated average annual daily load-out rate is approximately 130 cubic yards per day.
 - 6.5.2 Estimated peak month, average daily load-out rate is approximately 160 cubic yards per day.
 - 6.5.3 Estimated annual peak day load-out rate is 320 cubic yards per day.
- 6.6 Vehicle loading is by gravity drop from a traveling conveyor discharge chute. Loading of Contractor vehicles shall be performed by City at the direction of the Contractor's personnel.
- 6.7 The City shall make every reasonable attempt to fully load all vehicles.
- 6.8 Load-out bay overhead doors shall remain closed during loading.
- 6.9 City personnel shall not assist Contractor in moving vehicles.
- 6.10 All loads shall be transported immediately upon being loaded.

- 6.11 All vehicles containing biosolids shall be transported at the end of each day.
- 6.12 All vehicles must be removed from the load-out area at the end of each day.
- 6.13 Contractor's equipment shall be parked only in designated areas as shown on the site plan included in Attachment C.
- 6.14 During periods of inclement weather, the Contractor shall request approval from the Project Manager to haul biosolids to the THF.

7. Transportation and Delivery to Land Application Storage Sites

- 7.1 Unless otherwise approved by the City, biosolids shall be transported only during daylight hours as defined by ½ hour before sunset and ½ hour after sunrise.
- 7.2 All route selection shall be made by the Contractor and approved by the Project Manager prior to transportation. The City reserves the right at any time to change the approved route due to road conditions or complaints.
- 7.3 The Biosolids Coordinator shall be responsible for coordinating access to land application storage sites and adequately marking or otherwise designating sites. The Contractor shall be responsible for inspecting each land application storage site prior to the initial delivery of biosolids.
- 7.4 The Contractor shall make every reasonable attempt to access land application storage sites during and immediately following inclement weather conditions.
- 7.5 The Contractor shall be responsible for repair of any damage to public or private areas, roads or facilities caused by the Contractor.
- 7.6 All biosolids shall be unloaded within the limits of the designated land application site storage area.
- 7.7 Contractor's personnel shall under no circumstances change the land application storage site unless approved by the Biosolids Coordinator.

8. Temporary Holding Facility (THF) Operation

- 8.1 Biosolids shall be transported to the THF by the Contractor during inclement weather conditions which prevent access to any of the scheduled land application storage sites.
- 8.2 The Contractor shall unload biosolids in an organized method which requires minimal stockpiling by the City.
- 8.3 When land application storage sites become accessible, the Contractor shall immediately begin transporting biosolids from the THF.
 - 8.3.1 Contractor shall be responsible for loading vehicles with a suitable rubber tire loader.
 - 8.3.2 The Contractor shall be required to transport a minimum of 150 cubic yards per day.
 - 8.3.3 When the amount of biosolids at the THF exceeds 1000 cubic yards the contractor is required to transport biosolids to accessible land application sites within fourteen (14) calendar days until all biosolids are removed.
 - 8.3.4 The Contractor shall be assessed liquidated damages if the capacity of the THF is exceeded and the contractor fails to comply with the Agreement.
- 8.4 The Contractor shall have access to the THF after normal operating hours at the Bluff Road Landfill. The Contractor shall be responsible for maintaining security of the Bluff site during these times.

9. Spill Response and Planning

- 9.1 The Contractor shall be responsible for all spillage of biosolids from vehicles including spills from within the vehicle box, incidental spillage from biosolids accumulated on the exterior of the vehicle and tracking of biosolids from vehicle wheels and axles.
- 9.2 The Contractor shall prepare a Spill Response Plan for review and approval by the Project Manager prior to initiating work under this Agreement. The plan shall address procedures to meet the following requirements and areas of responsibility:
 - 9.2.1 All vehicle exteriors shall be free of biosolids prior to transporting to and from hauling destinations.
 - 9.2.2 All small and incidental spillage shall be cleaned up immediately by the Contractors personnel.
 - 9.2.3 The Contractor shall have immediate availability to suitable equipment to cleanup large spills. An equipment list shall be included in the Spill Response Plan.
 - 9.2.4 The Contractor shall make appropriate notifications to local law enforcement, and state, county or local roadway maintenance crews to assist in the clean up when necessary.
 - 9.2.5 The Contractor shall make immediate notification to the Project Manager or Biosolids Coordinator when a large spill occurs.
 - 9.2.6 Procedures shall be described for dealing with incidental and large spills which occur on state, county or local roadways including a call notification list, traffic direction, equipment response, and contracts and referrals from the general public.
- 9.3 The Contractor shall provide adequate training to all personnel who may participate in a spill response.

10. Progress Meetings and Records

- 10.1 The City shall conduct monthly progress meetings with the Contractor's Transportation Supervisor.
- 10.2 Contractor shall submit a daily haul record form each week to the Project Manager. . An example of the daily haul record form is included in Attachment E.
 - 10.2.1 Daily haul record forms will be supplied to the Contractor.
 - 10.2.2 Electronic records are preferred which are submitted as a Lotus or Excel spreadsheet format by diskette or E-mail.
- 10.3 Contractor shall submit a summary of any spill response, complaints or other significant activities that occurred during the period.

11. Basis of Measurement and Payment

- 11.1 Loads shall be measured to the nearest 0.5 cubic yard.
- 11.2 Payment for services rendered shall be according to the unit prices indicated in this Agreement for loads transported within each pay radius as measured from either the Temporary Holding Facility or the Theresa Street POTW. A Lancaster County map showing the pay radii is included in Attachment E.
- 11.3 Pay radii are measured as a straight line distance from the point of origin and are not consider as actual transportation distances to the land application storage sites.
- 11.4 The biosolids quantities transported within each pay radius as indicated on the Bid Proposal Form are for estimating purposes only. The City makes no guarantees as to the actual amount of biosolids hauled in each pay radius and deviations between estimated and actual quantities shall not be cause for additional compensation.
- 11.5 All land application storage sites located in Lancaster County shall be considered within 30 miles of either the POTW and THF.
- 11.6 For loads hauled to the THF, the Contractor shall be paid the unit price for pay radius #4 (Bid Item #4).
- 11.7 An itemized monthly pay request shall be submitted to the Project Manager containing the following information: haul period, daily volumes subtotaled for each pay radius, unit prices, and extended totals.
- 11.8 Monthly pay requests shall be submitted to: Lincoln Solid Waste Operations, 2400 Theresa Street, Lincoln, NE 68521

12. Escalator/de-escalator Clause for Contract Renewal

- 12.1 At the time of Contract renewal, bid prices shall be adjusted based upon the Kansas City Consumer Price Index for Urban Waste Earners and Clerical Workers (KC CPIW) as obtained from Region VII United States Department of Labor. The adjusted prices shall be computed as follows:

$$\text{Index Diff.} = (\text{KC CPIW Jan-June 199x}) - (\text{KC CPIW Jan-June 1998})$$

$$\text{Adjusted Index Diff.} = \text{Index Diff.} \times 0.75$$

$$\text{Adjusted CPIW} = (\text{KC CPIW Jan-June 1998}) + \text{Adjusted Index Diff.}$$

$$\text{Price Revision Factor} = \text{Adjust CPIW} / (\text{KC CPIW Jan-June 1998})$$

$$\text{New Price for Next Annual Period} = \text{Price Revision Factor} \times \text{Original Bid Price}$$

- 12.2 The Contractor shall give written notice to the City/County Purchasing Agent and the Project Manager requesting contract renewal.

13. Liquidated Damages, Non-performance and Additional Compensation

- 13.1 Liquidated damages for spillage incidents shall be assessed as follows:
 - 13.1.1 Improperly transported loads shall be assessed \$100 for each load.
 - 13.1.2 Large spills requiring cleanup shall be assessed at \$1000 each plus cost of actual cleanup expense.
 - 13.1.3 Five or more large spill incidents may be cause for termination of the Contract.
- 13.2 The Contractor shall have adequate equipment and personnel available to insure continuous load-out of biosolids at the POTW and to insure the capacity of the THF is not exceed. Liquidated damages for nonperformance shall be assessed as follows:
 - 13.2.1 Nonperformance which causes interruptions to the POTW biosolids de-watering operation shall be assessed at \$100 per hour.
 - 13.2.2 Nonperformance which causes the THF to exceed capacity shall be assessed at \$1000 per day.
 - 13.2.3 Failure to provide services for a total of one working day during the duration of the Contract may be cause for termination of the Contract.
- 13.3 Any damages caused to private or public property and equipment by the Contractor shall be corrected as soon as possible by the Contractor. In the event the City must correct the defect, liquidated damages equal to the repair cost plus \$100 per occurrence for administrative costs shall be assessed.
- 13.4 In the event the Contractor deposits biosolids at a land application storage site which has not been approved, liquidated damages of \$1,000 per load deposited shall be assessed and the biosolids shall be loaded and transported to another location as directed by the City at no additional cost. This action may also be cause for termination of the Contract.
- 13.5 In the event the Contractor deposits more biosolids at a land application storage site than approved by the City, the Contractor shall load and transport the overage to another location as directed by the City at no additional cost.
- 13.6 The Contractor shall be notified of all liquidated damages as soon as the City becomes aware of the incident. The City shall provide written notification to the Contractor prior to assessment of liquidated damages.
- 13.7 Liquidated damages, or other damages as specified, shall be deducted from the Contractor's monthly payments.
- 13.8 The Contractor shall be compensated for standby time resulting from unscheduled load-out delays caused by the City lasting for periods longer than identified in this Agreement.
 - 13.8.1 The Contractor shall notify the POTW Supervisor that standby compensation will be requested prior to initiating the charges.
 - 13.8.2 Standby time shall be compensated at \$50.00 per hour of delay computed to the nearest 1/4 hour.
 - 13.8.3 Standby compensation shall not be paid if biosolids are available at the temporary holding facility for hauling during these delays.
 - 13.8.4 Standby compensation shall not be paid if the delay is due to Scheduled Maintenance as defined in this Agreement.

14. Additional Services

- 14.1 The City may request other material loading and transportation services during the term of the Agreement including yard waste compost, wood chips, wood debris, soil, sewage grit/screenings, etc.
- 14.2 The Contractor may offer bid prices for these services under Other Bid Information on the Proposal Form.

Dated this 5 day of November, 1998

ATTEST:

CITY OF LINCOLN, NEBRASKA

[Signature]
City Clerk

[Signature]
Mayor

EXECUTION BY CONTRACTOR

Big River Construction Co.

Company Name

P.O. Box 277

Company Address

Nebraska City, NE. 68410

City

State

Zip

402-873-6890

Telephone Number

Cleon Popelka

President

By: (print name)

Title

[Signature]
Signature

[Signature]
Witness

47-0641485

Employer's Federal I.D. Number or
Social Security Number

BIG RIVER CONSTRUCTION COMPANY

NEBRASKA CITY, NEBRASKA 68410

Index Diff. = (KC CPIW Jan-June 199x) - (KC CPIW Jan-June 1998)
 Index Diff. = 159.5-152.7 = 6.8

Adjusted Index Diff. = Index Diff X 0.75
 Adjusted Index Diff. = 6.8 * 0.75 = 5.1

Adjusted CPIW = (KC CPIW Jan-June 1998) + Adjusted Index Diff.
 Adjusted CPIW = 152.7 + 5.1 = 157.8

Price Revision Factor = Adjusted CPIW / (KC CPIW Jan-June 1998)
 Price Revision Factor = 157.8/152.7 = 1.03

New Price for Next Annual Period = **1.03** * Original Bid Prices as follows:

<u>ITEM</u>	<u>ITEM DESCRIPTION</u>	<u>UNITS</u>	<u>UNIT PRICE</u>
1.1	Transport biosolids within 0-15.0 miles of the Temporary Holding Facility	C.Y.	3.75*1.03 = 3.86
1.2	Transport biosolids within 15.1-30 miles of Temporary Holding Facility	C.Y.	4.05*1.03 = 4.17
1.3	Transport biosolids greater than 30 miles from the Temporary Holding Facility	C.Y.	.150 * 1.03 = .155
1.4	Transport biosolids within 0-15.0 miles of the City's Theresa Street POTW	C.Y.	3.76 * 1.03 = 3.87
1.5	Transport biosolids within 15.0 - 30 miles of the City's Theresa Street POTW	C.Y.	3.92 * 1.03 = 4.04
1.6	Transport biosolids greater than 30 miles of the City's Theresa Street POTW	C.Y.	.150 * 1.03 = .155
1.7	Transporting other materials within 0-15 miles of either the POTW	C.Y.	4.0 * 1.03 = 4.12
1.8	Transporting other materials in 12-15 yard net capacity vehicles	C.Y.	50.00 * 1.03 = 51.5
1.9	Transporting other materials in 20-30 yard net capacity vehicles	C.Y.	60.00 * 1.03 = 61.8
1.10	Loading other materials with 3.0 cubic yard, or larger, rubber tire loader	C.Y.	75.00 * 1.03 = 77.25